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EX PARTE OR LATE FILED

June 11, 2002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

Marlene H. Dortch, Secretary
Federal Communications Commission
236 Massachusetts Avenue, NE
Suite 110
Washington, DC 20002

Re: Notice of Ex Parte Presentation: Dickey Rural Telephone Cooperative, Dickey Rural Access, Inc., Polar Telecommunications, Inc., Red River Rural Telephone Association, Red River Telecom, Inc., and Citizens Telecommunications Company of North Dakota Waiver of the Definition of "Study Area" in Part 36 and Sections 61.41(c) and (d), 69.3(e)(11) and 69.605(c) of the Commission's Rules CC Docket No. 96-45, DA 02-1034

Dear Ms. Dortch,

In response to questions from the Commission's staff, Dickey Rural Telephone Cooperative, Dickey Rural Access, Inc., Polar Telecommunications, Inc., Red River Rural Telephone Association, Red River Telecom, Inc. (the Parties) hereby submit the following information concerning the impact of the waivers on the NECA pool and the interstate common line support (ICLS).

On June 5, 2002, the National Exchange Carrier Association, Inc. (NECA) filed comments in support of the Parties' waiver requests. In its comments, NECA affirmed that the proposed addition of lines to the common line pool will not significantly impact common line pool revenue requirements and will not impose any undue administrative burdens on NECA.¹

FCC Rule 54.902(b)(1)² allows companies acquiring exchanges from a price cap carrier

¹ See, Comments of NECA, filed in CC Docket No. 96-45 dated June 5, 2002.

² 47 C.F.R. § 54.902(b)(1).

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and incorporating those exchanges into existing study areas to update line counts for ICLS to include the acquired lines. Initially, ICLS for the acquired lines would be available based on the existing per line ICLS of the acquiring company. These amounts would be subject to true up once cost and revenue data are available. Therefore, based on the projected annual ICLS and access lines as of 9/20/2001, as provided by NECA to USAC on April 18th and copied to NECA common line pool members, the initial ICLS support available to Dickey Rural Telephone Cooperative, Polar Telecommunications, Inc., and Red River Rural Telephone Association is estimated as follows: Dickey Rural Telephone Cooperative will be eligible to receive additional annual ICLS of \$150,056; Polar Telecommunications, Inc. will be eligible to receive additional annual ICLS of \$53,845; and Red River Rural Telephone Association will be eligible to receive additional annual ICLS of \$74,970. The annual amount reflects the ICLS impact if the companies were to be eligible for the additional ICLS beginning July 1st. However, the actual amounts received will be dispersed on a monthly basis and are dependent on the timing of the grant of the waiver request, closing of the acquisitions, and submission of updated line counts by the acquiring companies.

The Parties believe that the additional ICLS is minimal and should in no way adversely affect grant of their petition. The Parties note that in the *MAG Order*,³ the Commission specifically provided for the calculation of additional ICLS when a rate-of-return carrier acquires telephone exchanges from a price cap carrier. The Commission also found that the restrictions on the transfer of intrastate high-cost universal service support in section 54.305⁴ of the rules should not apply to ICLS. According to the Commission, section 54.305 was necessary to prevent a potential increase in the acquiring carrier's universal service support payments from unduly influencing its decision to acquire exchanges. The Commission found that this concern is not present with respect to ICLS because ICLS for rate-of-return carriers will be based at least in part on an individual carrier's embedded costs. Thus, the Commission did not restrict the ability of carriers to receive additional ICLS in connection with the acquisition of exchanges.

³ *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Second Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 00-256, *Federal-State Joint Board on Universal Service*, Fifteenth Report and Order in CC Docket No. 96-45, *Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of-Return Regulation, Prescribing the Authorized Rate of Return for Interstate Services of Local Exchange Carriers*, Report and Order in CC Docket Nos. 98-177 and 98-166 (rel. Nov. 8, 2001).

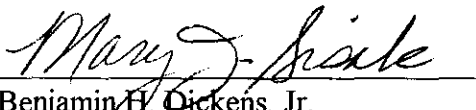
⁴ 47 C.F.R. § 54.305.

Finally, the Parties submit maps showing the exchanges currently operated and to be acquired as a result of these transactions.

Please contact me if you have any questions concerning these matters.

Respectfully submitted,

**DICKEY RURAL TELEPHONE COOPERATIVE
DICKEY RURAL ACCESS, INC.
RED RIVER RURAL TELEPHONE
ASSOCIATION
RED RIVER TELECOM, INC.
POLAR TELECOMMUNICATIONS, INC.**

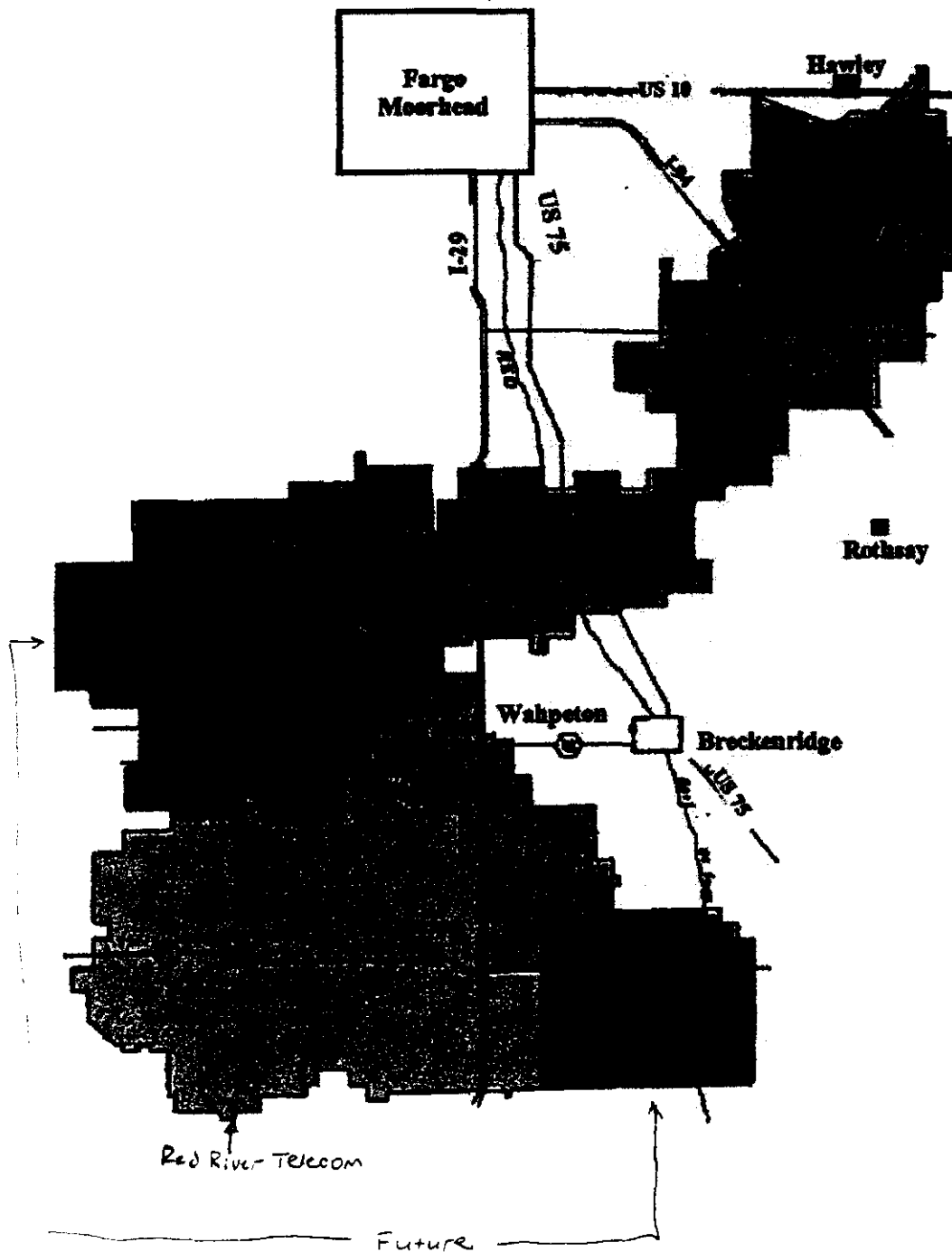
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Dated: June 11, 2002

cc: Cara Voth

Attachments



Red River Telephone

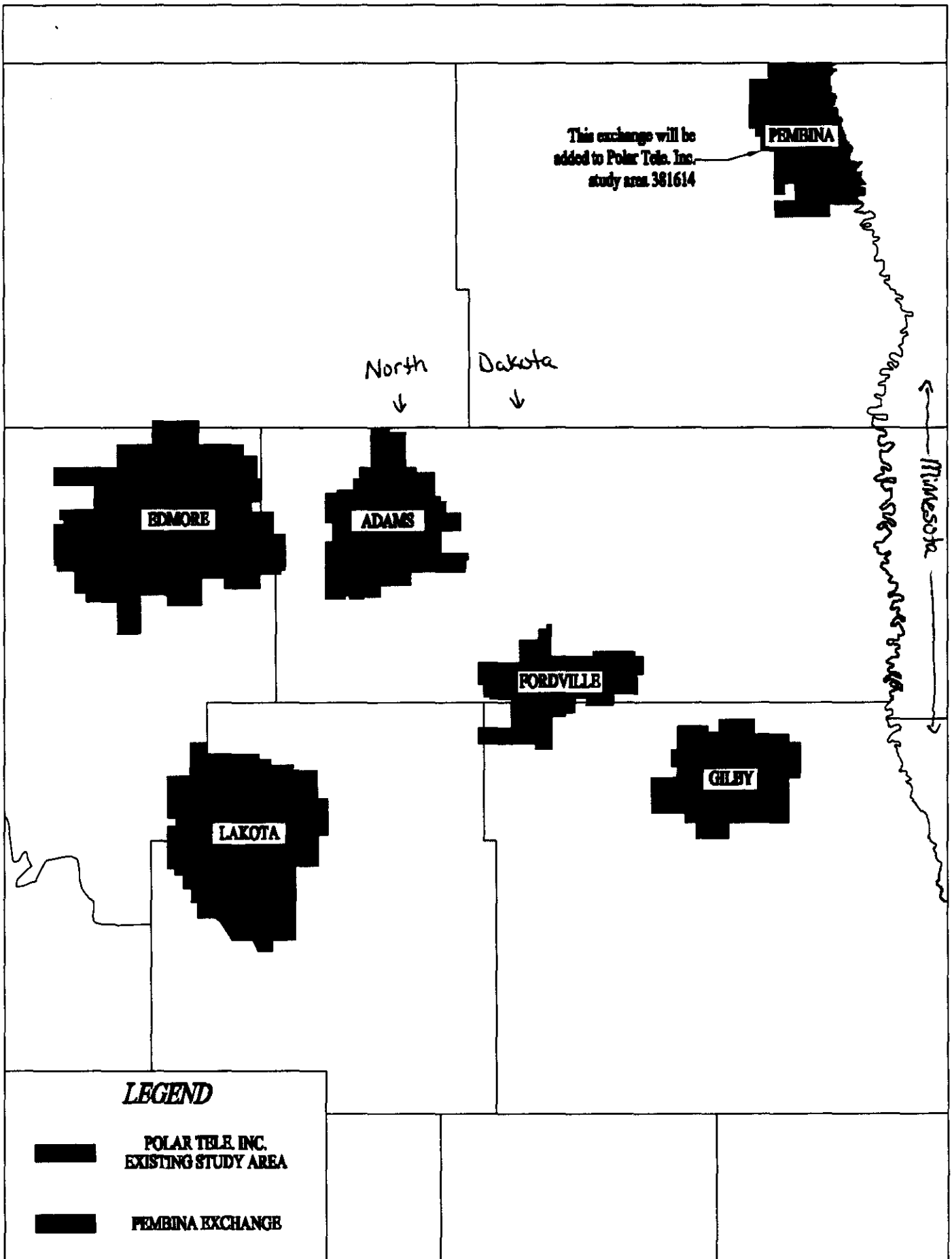


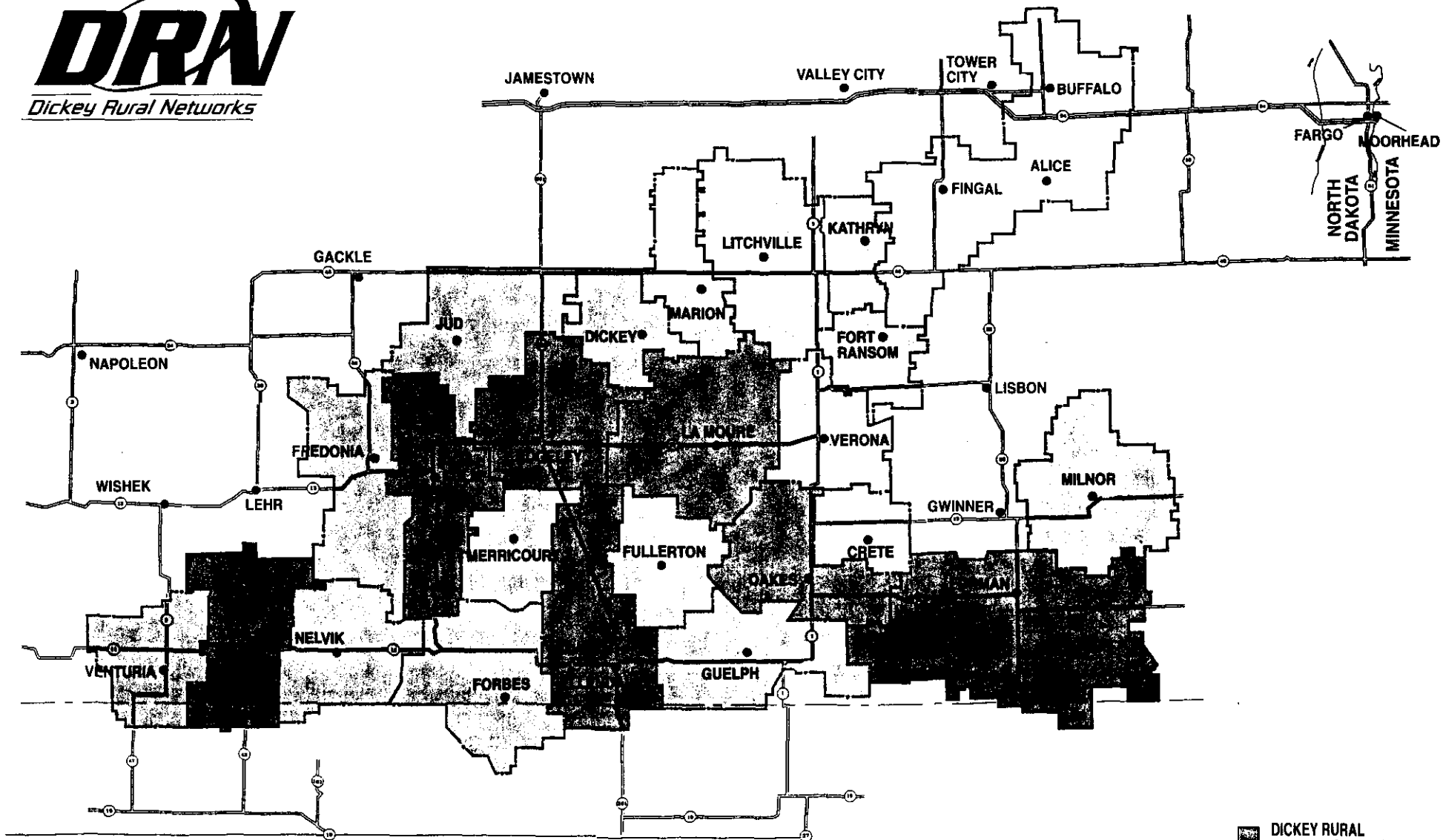
Red River Telecom



Future Telecom Area







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 DICKEY RURAL COMMUNICATIONS, INC.

 DICKEY RURAL TELEPHONE COOPERATIVE